

Minutes
Wylie Economic Development Corporation
Board of Directors Meeting

Friday, March 20, 2015 – 6:30 A.M.
WEDC Offices – Conference Room
250 South Highway 78 – Wylie, Texas

CALL TO ORDER

Announce the presence of a Quorum

President Marvin Fuller called the meeting to order at 6:31 a.m. Board Members present were John Yeager, Demond Dawkins and Todd Wintters.

Ex-officio member Mindy Manson, City Manager was present.

WEDC staff present was Executive Director Sam Satterwhite and Sr. Assistant Angel Wygant.

CITIZEN PARTICIPATION

Lynn Grimes reminded the Board that Taste of Wylie and the Live Auction benefiting the Christian Care Center would be held April 27th at the First Baptist Events Center. She thanked the WEDC for their sponsorship and encouraged the Board members to attend.

ACTION ITEMS

ITEM NO. 1 – Consider and act upon approval of the February 20, 2015 Minutes of the Wylie Economic Development Corporation (WEDC) Board of Directors Meeting.

MOTION: A motion was made by Todd Wintters and seconded by John Yeager to approve the February 20, 2015 Minutes of the Wylie Economic Development Corporation. The WEDC Board voted 4 – FOR and 0 – AGAINST in favor of the motion.

ITEM NO. 2 – Consider and act upon approval of the February 2015 WEDC Treasurer's Report.

The Board noted that the Inventory Sub-ledger needed to be amended to reflect the sale of the Premiere Industrial Park property to Exco. Staff made a note of the change which will be reflected in the March 2015 Treasurer's Report.

MOTION: A motion was made by John Yeager and seconded by Demond Dawkins to approve the February 2015 WEDC Treasurer's Report. The WEDC Board voted 4 – FOR and 0 – AGAINST in favor of the motion.

ITEM NO. 3 – Consider and act upon a Real Estate Sales Contract between the WEDC and Randal & Jacob Glenn.

Staff reviewed a Real Estate Sales Contract between the WEDC and Randal L. Glenn and Jacob R. Glenn under which the WEDC will purchase two lots totaling 0.3047 acre for \$325,000. The WEDC is further obligated to pay 50% of the Title Policy which is approximately \$1,164 and all customary closing costs attributable to the Buyer. Finally, as per the terms of the Commercial Lease attached as Exhibit B to the Contract, the WEDC agrees to lease the premises to Glenn for a period of 12 months (Initial Term) at no cost to Glenn save and except any and all maintenance and utilities. Following the Initial Term, the WEDC agrees to lease the premises on a month-to-month basis for \$1,200 per month. Either party shall have the right to terminate the lease provided a sixty day notice is given. However, as per Section 2.4.2, should the WEDC require Glenn to vacate the premises at any time during the Initial Term, the WEDC shall pay Glenn \$20,000.

As per the attached Contract, the purchase is scheduled to close on or about April 15, 2015. Delaying the scheduled closing is the need for a variance due to the structure purchased being located within the 20' setback fronting Industrial Court. Staff has initiated the application for a variance with the City of Wylie Board of Adjustments which is scheduled for April 20th. Assuming the variance is granted, closing will take place on or about April 27th.

Staff is recommending the WEDC pay all cash at closing. As of February 28th the WEDC had a claim on cash of \$2,168,248 with \$559,567 reserved for the construction of Woodridge Parkway, effectively reducing the claim on cash to \$1,608,681. Within the FY 2014-2015 Budget, the WEDC set aside \$1,008,884 within Incentives for 'Future Projects' which in practice has been funds set aside for unidentified projects.

Staff recommended that the Board approve the Real Estate Sales Contract between WEDC and Randal & Jacob Glenn and further authorize WEDC President Marvin Fuller to execute all documentation necessary to effectuate the above referenced purchase of 0.3047 acres for \$325,000.

MOTION: A motion was made by Todd Wintters and seconded by John Yeager to approve the Real Estate Sales Contract between the WEDC and Randal & Jacob Glenn, including the payment of 50% of the Title Policy. Further, the Board authorized WEDC President Marvin Fuller to execute all documentation necessary to effectuate the purchase of 0.3047 acres for \$325,000. The WEDC Board voted 4 – FOR and 0 – AGAINST in favor of the motion.

DISCUSSION ITEMS

ITEM NO. 4 – Staff report: review issues surrounding Performance Agreements between the WEDC and: Woodbridge Crossing, Ascend Custom Extrusions, CSD Woodbridge, All State Fire, Exco Tooling Solutions, Getset LLC, The Rock Wood Fired Kitchen, Jackson Street

Properties, staff training, Collin County Days / Wylie Days, WEDC website and aerial update, sporting events and regional housing starts.

Analysis

As a reminder to Board members, the Board may not discuss an item which is not specifically identified on the agenda. Only those items listed above can be discussed. Should any Board member want an issue be placed on the agenda at any time prior to a Board meeting, please contact the WEDC President or staff.

Woodbridge Crossing

Attached for the Board's review was the Sales Tax Reimbursement Report which identifies all sales taxes received through February 2015 within Woodbridge Crossing for the City General Fund, the WEDC, and the 4B. As a reminder, the City and WEDC reimbursed 85% of all sales tax generated within Woodbridge Crossing through September 2013 with the reimbursement percentage reduced to 65% thereafter. Due to the default under the Amended and Restated Performance Agreement, Woodbridge Crossing is only eligible to receive up to \$6 million in sales tax reimbursement through September 2021 as opposed to the maximum reimbursement of \$12 million originally contemplated.

\$2,754,444.52 has been reimbursed through February 2015 with net receipts of \$1,916,969 after reimbursements. As well, it is estimated that \$2.5 mm has been paid in ad valorem taxes to the City of Wylie (excluding the WISD).

As shown on the Sales Tax Reimbursement Report, \$186,038 was generated in sales tax in December 2014 versus \$120,214 in December of 2013. This increase represents a 55% gain over 2013 receipts. The Board will recall though that many businesses were not being tracked properly by the Comptroller which was identified and corrected in February 2014.

Ascend Commercial Lease and Performance Agreement

Attached for the Board's review was the Ascend Custom Extrusion Critical Dates Analysis and Performance Agreement Monitoring Procedures. Payment #4 of 5 for the Economic Incentives has been funded with Ascend meeting all Performance Obligations within Sections A and B of the attachment.

Also attached for review was the summary of a second Performance Agreement between the WEDC and ACE which was approved in December 2013. Payment #2 of 4 has been funded with Ascend meeting all Performance Obligations within Section A of the attachment.

CSD Woodbridge Performance Agreement

On July 15, 2013 a certificate of occupancy (CO) was issued for Kroger Marketplace. Beginning October 1, 2013 and ending October 1, 2023, Clark Street Development is eligible to receive a ½ cent sales tax reimbursement from the WEDC (City of Wylie not part of sales tax reimbursement

agreement). Quarterly payments will be made to Clark Street based upon the data provided by the Comptroller. In addition to the \$100,000 reimbursement incentive paid by the WEDC at CO, Clark Street is eligible to receive cumulative incentives of \$1,100,000 over the life of the Agreement.

Along with a summary of the Performance Agreement, a Sales Tax Reimbursement Report was included for the Board's review. The impact of The Rock Wood Fired Kitchen will not be evident for two more months.

All-State Fire

All-State Fire had difficulties in securing financing due primarily to an inability to identify comparable sales of properties in the area. All-State has since finalized their financing process and will be breaking ground as soon as possible.

Exco Tooling Solutions

Exco has begun construction of its 30,000 square foot facility within Premier Business Park. All indications point to an October completion date. As provided in the Summary of Performance Obligations, the WEDC will fund an \$87,000 incentive upon issuance of a CO followed by four payments of \$20,000 over the following four years.

Getset LLC

Getset is building a 6,700 square foot commercial structure to be located at 1303 Century Way which is adjacent to the future site of All-State Fire. Due to the recent rains, Getset has been delayed by several weeks in completing their project which may impact their performance obligation of securing a certificate of occupancy no later than 5-1-15. While the contractor has indicated that they will be done on or about 5-15-15, staff will reevaluate their progress in April and bring back a recommendation to extend the CO requirement date.

The Rock Wood Fired Kitchen

In January, The Rock had \$99,703 in alcohol sales which placed them in the top 7% in the State of Texas for restaurants selling alcohol. The next closest entity in Wylie was Chili's at \$48,890.

Jackson Street Properties

The snow and ice created a delay in completing the demolition of the laundromat which will be finalized within the next seven business days. Just as an FYI – several merchants on the west side of Ballard Street have contacted the WEDC and complained of screws in the alley causing damage to customers tires. Staff made his contact information available but has not heard from any individuals with damage as of yet.

Staff Training

Staff completed the first of six classes required for becoming a Certified Economic Developer by the International Economic Development Council. The next class is scheduled for April 9 - 10, 2015 in Atlanta.

Collin County Days/Wylie Days

Staff attended Collin County Day and Wylie Day in Austin. Collin County Day was more of a region wide event with the Wylie Chamber of Commerce organizing a very effective Wylie only event that created some very positive interaction with our legislators. Attending the event were representatives from the City Council, WISD School Board, City Manager, Superintendent, Chamber Staff, Oncor, and WEDC staff.

WEDC Website and Aerial Update

The new aerial being produced should be finalized and ready to go to production by March 27th to be completed no later than May 1st. Staff has narrowed down selection of a web site designer to two companies with a selection to be made by April 1st. A final product should be done within 10 – 12 weeks.

Sporting Events

Staff attached a spreadsheet by which the use of Mavericks tickets is tracked.

Regional Housing Starts

Thirty-one homes were permitted in Wylie for February 2015. Sachse, Lavon, and Murphy permitted a combined twenty-eight homes over the same period.
No action is requested by staff for this item.

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EXECUTIVE SESSION

Recessed into Closed Session at 7:03 a.m. in compliance with Section 551.001, et.seq. Texas Government Code, to wit:

Section 551.087 (Economic Development) of the Local Government Code, Vernon's Texas Code Annotated (Open Meetings Act).

- Project 2014-4a
- Project 2014-9b
- Project 2015-2a
- Project 2015-3a
- Project 2015-3b

- Project 2015-3c

Board Member Demond Dawkins left the meeting at 7:55 a.m. and returned at 8:20 a.m.

Section 551.072 (Real Estate) of the Local Government Code, Vernon's Texas Code Annotated (Open Meetings Act). Consider the sale or acquisition of properties located near the intersection of:

- Ballard Street & Stone Road
- Cooper Drive & State Highway 78
- Birmingham Street and Oak Street

RECONVENE INTO OPEN MEETING

The WEDC Board of Directors reconvened into open session at 8:48 a.m. and took no action.

ADJOURNMENT

With no further business, President Fuller adjourned the WEDC Board meeting at 8:48 a.m.



Marvin Fuller, President

ATTEST:



Samuel Satterwhite, Director